

REMARKS BY SENATOR HUBERT H. HUMPHREY
CONGRESSIONAL TASK FORCE ON UNEMPLOYMENT

Washington, D.C.

April 15, 1975

It is a pleasure for me to be with you this afternoon to discuss the most critical issue facing our nation today -- the highest rate of unemployment in the nation in 34 years and more people out of work than at any time since the Great Depression.

I am particularly pleased to be able to discuss this subject with the most influential group of freshmen Congressmen in history.

You have, in a few short months, clearly and decisively demonstrated that you know what Americans want and what America needs. But, even more importantly, you have been extraordinarily effective in making your views known and in seeing to it that they prevailed.

Today we face the greatest economic crisis since the 1930's -- a crisis that even the most pessimistic among us did not foresee. I can think of no period since the Great Depression when America seriously had to ask itself "Can we regain full employment in the next five years?"

Certainly the previous five post-war recessions temporarily increased the number of unemployed, but never have we fallen so quickly and so far from our national full employment goals.

It is especially appropriate that you, who were elected to national office just as the dimensions of the current recession were becoming apparent, have made unemployment one of your highest priorities.

According to the Administration's own estimates, prepared with the budget in January, unemployment will average 7 percent or more until 1978 and will not drop below 6 percent until 1980.

Yet we all know how much further the economy has deteriorated since January. At that time the Administration forecast average unemployment of 8.1 percent in 1975. That estimate became "inoperative" as the unemployment rate jumped from 7.2 percent in December to 8.2 percent in January, and 8.7 in March.

The weakening in real economic activity and the accompanying rise in unemployment, substantially worse than the Administration predicted, mean that the road back to full employment will be even longer and more tortuous than the gloomy Administration forecast, if their timid economic program is followed.

Even the 8.7 percent unemployment rate for March, unimaginable as it would have been a few short years ago, does not tell the full story. It masks the much greater hardship that this causes for some groups of our people. Unemployment for blacks, for example, has now reached 14.2 percent, among teenagers it is a whopping 20.6 percent, and among black teenagers, unemployment soared to 42 percent in March.

The situation is no better if one looks at unemployment by industry. While attention has appropriately been focused on

high unemployment in the auto industry, the situation is as bad or worse in many other sectors:

- auto industry unemployment was 17.5 percent in March;
- in the furniture producing industry, it was 17.2 percent;
- in the rubber and plastics industry, 14.5 percent;
- in the apparel industry it was 19.8 percent.

In many other industries, such as lumber, primary metals, electrical equipment, and textile mill products, unemployment is at 12 percent or more.

These numbers categorically refute those who dismiss unemployment as a problem for one or two industries, women, and teenagers.

Make no mistake about it, this recession has hit the experienced as well as the inexperienced worker, the rural as well as urban worker, the young, middle-aged and elderly.

And, it has cut right across industry lines.

In fact, the only major industry with unemployment below 5 percent is the petroleum industry.

And yet the official statistics published by the Department of Labor -- the 8.7 percent national rate -- do not include the hundreds of thousands of workers who have become so discouraged in their search for a job that they have given up. Nor do they include the millions who are working only part-time because they can't find full-time jobs.

The Joint Economic Committee staff has estimated that unemployment in March was actually 11.7 percent, or 10.5 million people, with this disguised unemployment included in the total.

Unfortunately, the situation is likely to get worse before it gets better. When the real output figures for the first quarter are released this week, they are likely to show a decline of 10 percent or more in economic activity.

The Administration now admits that unemployment will hit 9 percent. But you and I know that it is very likely to go higher. A peak rate of 9.5 percent is now being suggested by many forecasters, and Arthur Okun has told the Joint Economic Committee that there is a 50-50 chance that unemployment will hit 10 percent this year.

In the face of these statistics, which tabulate the numbers of unemployed, but which in no way measure the loss of self-esteem, the personal suffering, and disruption of an entire life style that accompanies unemployment -- what is the response of government?

The Administration tells us that we must accept a cautious and gradual return to full employment. But this gradual approach also carries a very heavy cost in terms of lost output and income.

The JEC estimates that, if the Administration's program is followed, we will lose \$1.5 trillion in output between now and 1980 that could be produced if we were at full employment. That is an amount equal to our entire 1974 GNP.

When we put the costs of unemployment in these terms, programs to prevent high unemployment make sense in political, as well as human and economic terms.

In the Employment Act of 1946, we made a commitment to full employment in this country -- a commitment which has far too often been honored in the breach. The Employment Act enjoined the federal government to "promote maximum employment, production, and purchasing power." Congress recognized back in 1946 that maximum employment should be the central focus of national economic policy. It is certainly not the focus or the first priority today.

The Administration's economic policy, as expressed in the budget, ignores the mandate of the Employment Act of 1946. It placidly accepts unemployment rates of 7 percent or more for the next four years because of an overriding fear of inflation.

I am very concerned about inflation. We all need to be.

But let us look at the facts. We have seen the rate of inflation drop from 15 percent in the middle of last year to 6 or 7 percent at present. It will be much more difficult and take much longer to cut unemployment in half.

We are a nation that gives a great deal of lip service to the work ethic. And yet, we also experience one of the highest unemployment rates in the industrialized world. Most nations suffered recession in 1974 along with us. And unemployment rose in every country.

But how do others compare with the U.S.? At the beginning of 1975, Great Britain had 3.6 percent unemployment. Italy, 3.3 percent; Germany, 3 percent; and Japan, 1.7 percent.

We must make a commitment to full employment by developing a method of guaranteeing a job to every American able and willing to work. Such a program would first provide for more private sector jobs, but it would also make public service employment available as a last resort. The public service jobs element of such a commitment to full employment should be large enough to provide work opportunities which would lower the unemployment rate even below the traditional goal of 4 percent. However, the objective of national economic policy should be to reduce the size of the necessary public jobs program to zero. Obviously, what this means is that economic policy must be sufficiently stimulative so that the private sector can employ the available work force.

In the short-run, during the next year and a half, we cannot expect to achieve these ambitious goals. But we need not accept unemployment rates of 9 percent or more, either. In addition to the essential overall stimulus provided through the tax cut, we need direct job creating programs.

First, we need a public employment program administered by state and local governments that would provide at least one million jobs right now. The current program will only employ 300,000 workers. It is totally inadequate. When unemployment is over 8 percent, as at present, we should have a direct Federal Public Employment Program. The Joint Economic Committee has recommended that for every percentage point, the national rate exceeds 8 percent, 500,000 jobs should be created at the federal level.

In exploring the format for a public jobs program, we concluded that public service employment in excess of one million would strain the administrative resources of state and local governments. Furthermore, there are a number of worthwhile objectives which are national in scope. Work on a national transportation system, improvement of railroad beds -- these are best organized at a national level. Reforestation, conservation and beautification of our national parks is another good example.

Second, public works projects, especially the more labor-intensive ones, should be accelerated -- specifically, those works delayed by past impoundments. With the high levels of unemployment prevailing in the construction industry, and with the amount of equipment sitting about idly, increased spending on waste treatment and water clean-up, for example, can absorb this vast unused capacity without being inflationary.

Finally, we should be willing to experiment with some form of wage supplement, a true employment tax credit, which would stimulate private job creation. While this approach is new to the United States, it has been tried with some success in other countries. If we don't try out new, innovative ways to encourage private job creation now, when the need is greatest, then the time will never be right.

In the long run, we have to develop a mechanism for economic planning in this country. This is crucial. Planning can play a major role in helping us reorder our priorities and anticipate problems.

We must have an effective process for organizing governmental efforts and for synchronizing them with the private sector towards the objective of full employment.

I said earlier that not even the most pessimistic among us predicted the wholesale layoffs that occurred in the fourth quarter of 1974. But with a coordinated planning effort, I believe we would have done a much better job of anticipating the coming recession. We could then have taken the steps needed to prevent an economic slowdown from becoming an economic disaster.

In the Congress, there is no single, legislative Committee which focuses primarily on full employment. This is one reason that the Joint Economic Committee was created. It is also a good reason for establishing this "Task Force on Unemployment."

This spring we will have hearings on unemployment and the concept of full employment. As Chairman of the Joint Economic Committee, I would welcome any suggestions that your Task Force may develop. Further, if there is any way in which the Joint Economic Committee can assist you in developing your program, I hope that you will not hesitate to call on us.

I am convinced that we can achieve full employment by the end of this decade despite this Administration's timidity and its forecasts. It will take bold, innovative leadership, and it will require some experimentation with new programs. But then, the crisis we face is an extraordinary one. If we succeed, through overall stimulus and direct job creation in reducing unemployment in the short-run, then the development of a comprehensive planning agency may enable us to avoid the human misery of unemployment in the future. The leadership void on the unemployment problem must be filled. Your task force is in a unique position to provide it. I challenge you to do so.

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IT IS A PLEASURE FOR ME TO BE WITH YOU THIS AFTERNOON TO
DISCUSS THE MOST CRITICAL ISSUE FACING OUR NATION TODAY --
THE HIGHEST RATE OF UNEMPLOYMENT IN THE NATION IN 34 YEARS AND
MORE PEOPLE OUT OF WORK THAN AT ANY TIME SINCE THE GREAT
DEPRESSION.

I AM PARTICULARLY PLEASED TO BE ABLE TO DISCUSS THIS SUBJECT
WITH THE MOST INFLUENTIAL GROUP OF FRESHMAN CONGRESSMEN IN
HISTORY.

YOU HAVE, IN A FEW SHORT MONTHS, CLEARLY AND DECISIVELY
DEMONSTRATED THAT YOU KNOW WHAT AMERICANS WANT AND WHAT AMERICA
NEEDS. BUT, EVEN MORE IMPORTANTLY, YOU HAVE BEEN EXTRAORDINARILY
EFFECTIVE IN MAKING YOUR VIEWS KNOWN AND IN SEEING TO IT THAT
THEY PREVAILED.

TODAY WE FACE THE GREATEST ECONOMIC CRISIS SINCE THE 1930's
-- A CRISIS THAT EVEN THE MOST PESSIMISTIC AMONG US DID NOT
FORESEE. I CAN THINK OF NO PERIOD SINCE THE GREAT DEPRESSION
WHEN AMERICA SERIOUSLY HAD TO ASK ITSELF "CAN WE REGAIN FULL
EMPLOYMENT IN THE NEXT FIVE YEARS?"

CERTAINLY THE PREVIOUS FIVE POST-WAR RECESSIONS TEMPORARILY
INCREASED THE NUMBER OF UNEMPLOYED, BUT NEVER HAVE WE FALLEN SO,
QUICKLY AND SO FAR FROM OUR NATIONAL FULL EMPLOYMENT GOALS.

IT IS ESPECIALLY APPROPRIATE THAT YOU, WHO WERE ELECTED
TO NATIONAL OFFICE JUST AS THE DIMENSIONS OF THE CURRENT
RECESSION WERE BECOMING APPARENT, HAVE MADE UNEMPLOYMENT ONE
OF YOUR HIGHEST PRIORITIES.

ACCORDING TO THE ADMINISTRATION'S OWN ESTIMATES, PREPARED WITH THE BUDGET IN JANUARY, UNEMPLOYMENT WILL AVERAGE 7 PERCENT OR MORE UNTIL 1978 AND WILL NOT DROP BELOW 6 PERCENT UNTIL 1980.

YET WE ALL KNOW HOW MUCH FURTHER THE ECONOMY HAS DETERIORATED SINCE JANUARY. AT THAT TIME THE ADMINISTRATION FORECAST AVERAGE UNEMPLOYMENT OF 8.1 PERCENT IN 1975. THAT ESTIMATE BECAME "INOPERATIVE" AS THE UNEMPLOYMENT RATE JUMPED FROM 7.2 PERCENT IN DECEMBER TO 8.2 PERCENT IN JANUARY, AND 8.7^{PERCENT} IN MARCH.

THE WEAKENING IN REAL ECONOMIC ACTIVITY AND THE ACCOMPANYING RISE IN UNEMPLOYMENT, SUBSTANTIALLY WORSE THAN THE ADMINISTRATION PREDICTED, MEAN THAT THE ROAD BACK TO FULL EMPLOYMENT WILL BE EVEN LONGER AND MORE TORTUOUS THAN THE GLOOMY ADMINISTRATION FORECAST, IF THEIR TIMID ECONOMIC PROGRAM IS FOLLOWED.

EVEN THE 8.7 PERCENT UNEMPLOYMENT RATE FOR MARCH, UNIMAGINABLE AS IT WOULD HAVE BEEN A FEW SHORT YEARS AGO, DOES NOT TELL THE FULL STORY. IT MASKS THE MUCH GREATER HARDSHIP THAT THIS CAUSES FOR SOME GROUPS OF OUR PEOPLE, UNEMPLOYMENT FOR BLACKS, FOR EXAMPLE, HAS NOW REACHED 14.2 PERCENT, AMONG TEENAGERS IT IS A WHOPPING 20.6 PERCENT, AND AMONG BLACK TEENAGERS, UNEMPLOYMENT SOARED TO 42 PERCENT IN MARCH. *It is 12.5% AMONG Blue Collar WORKERS.*

THE SITUATION IS NO BETTER IF ONE LOOKS AT UNEMPLOYMENT BY INDUSTRY. WHILE ATTENTION HAS APPROPRIATELY BEEN FOCUSED ON HIGH UNEMPLOYMENT IN THE AUTO INDUSTRY, THE SITUATION IS AS BAD OR WORSE IN MANY OTHER SECTORS:

- AUTO INDUSTRY UNEMPLOYMENT WAS 17.5 PERCENT IN MARCH;
- IN THE FURNITURE PRODUCING INDUSTRY, IT WAS 17.2 PERCENT;
- IN THE RUBBER AND PLASTICS INDUSTRY, 14.5 PERCENT;
- IN THE APPAREL INDUSTRY IT WAS 19.8 PERCENT,

IN MANY OTHER INDUSTRIES, SUCH AS LUMBER, PRIMARY METALS, ELECTRICAL EQUIPMENT, AND TEXTILE MILL PRODUCTS, UNEMPLOYMENT IS AT 12 PERCENT OR MORE,

THESE NUMBERS CATEGORICALLY REFUTE THOSE WHO DISMISS UNEMPLOYMENT AS A PROBLEM FOR ONE OR TWO INDUSTRIES, WOMEN, AND TEENAGERS,

MAKE NO MISTAKE ABOUT IT, THIS RECESSION HAS HIT THE EXPERIENCED AS WELL AS THE INEXPERIENCED WORKER, THE RURAL AS WELL AS URBAN WORKER, THE YOUNG, MIDDLE-AGED AND ELDERLY,

AND, IT HAS CUT RIGHT ACROSS INDUSTRY LINES.

IN FACT, THE ONLY MAJOR INDUSTRY WITH UNEMPLOYMENT BELOW

5 PERCENT IS THE PETROLEUM INDUSTRY.

AND YET THE OFFICIAL STATISTICS PUBLISHED BY THE DEPARTMENT OF LABOR -- THE 8.7 PERCENT NATIONAL RATE -- DO NOT INCLUDE THE HUNDREDS OF THOUSANDS OF WORKERS WHO HAVE BECOME SO DISCOURAGED IN THEIR SEARCH FOR A JOB THAT THEY HAVE GIVEN UP. NOR DO THEY INCLUDE THE MILLIONS WHO ARE WORKING ONLY PART-TIME BECAUSE THEY CAN'T FIND FULL-TIME JOBS.

THE JOINT ECONOMIC COMMITTEE STAFF HAS ESTIMATED THAT UNEMPLOYMENT IN MARCH WAS ACTUALLY 11.7 PERCENT, OR 10.5 MILLION PEOPLE, WITH THIS DISGUISED UNEMPLOYMENT INCLUDED IN THE TOTAL.

UNFORTUNATELY, THE SITUATION IS LIKELY TO GET WORSE BEFORE IT GETS BETTER. WHEN THE REAL OUTPUT FIGURES FOR THE FIRST QUARTER ARE RELEASED THIS WEEK, THEY ARE LIKELY TO SHOW A DECLINE OF 10 PERCENT OR MORE IN ECONOMIC ACTIVITY.

THE ADMINISTRATION NOW ADMITS THAT UNEMPLOYMENT WILL HIT 9 PERCENT. BUT YOU AND I KNOW THAT IT IS VERY LIKELY TO GO HIGHER. A PEAK RATE OF 9.5 PERCENT IS NOW BEING SUGGESTED BY MANY FORECASTERS, AND ARTHUR OKUN HAS TOLD THE JOINT ECONOMIC COMMITTEE THAT THERE IS A 50-50 CHANCE THAT UNEMPLOYMENT WILL HIT 10 PERCENT THIS YEAR.

ON THE FACE OF THESE STATISTICS, WHICH TABULATE THE



IN THE FACE OF THESE STATISTICS, WHICH TABULATE THE
NUMBERS OF UNEMPLOYED, BUT WHICH IN NO WAY MEASURE THE LOSS OF
SELF-ESTEEM, THE PERSONAL SUFFERING, AND DISRUPTION OF AN ENTIRE
LIFE STYLE, THAT ACCOMPANIES UNEMPLOYMENT -- WHAT IS THE RESPONSE
OF GOVERNMENT?

THE ADMINISTRATION TELLS US THAT WE MUST ACCEPT A CAUTIOUS
AND "GRADUAL" RETURN TO FULL EMPLOYMENT, BUT THIS GRADUAL APPROACH
ALSO CARRIES A VERY HEAVY COST IN TERMS OF LOST OUTPUT AND
INCOME.

THE JEC ESTIMATES THAT, IF THE ADMINISTRATION'S PROGRAM
IS FOLLOWED, WE WILL LOSE \$1.5 ^{TRILLION} ~~BILLION~~ IN OUTPUT BETWEEN NOW
AND 1980 THAT COULD BE PRODUCED IF WE WERE AT FULL EMPLOYMENT.

THAT IS AN AMOUNT EQUAL TO OUR ENTIRE 1974 GNP.

WHEN WE PUT THE COSTS OF UNEMPLOYMENT IN THESE TERMS,
PROGRAMS TO PREVENT HIGH UNEMPLOYMENT MAKE SENSE IN POLITICAL,
AS WELL AS HUMAN AND ECONOMIC TERMS.

IN THE EMPLOYMENT ACT OF 1946, WE MADE A COMMITMENT TO
FULL EMPLOYMENT IN THIS COUNTRY -- A COMMITMENT WHICH HAS FAR
TOO OFTEN BEEN HONORED IN THE BREACH. THE EMPLOYMENT ACT
ENJOINED THE FEDERAL GOVERNMENT TO "PROMOTE MAXIMUM EMPLOYMENT,
PRODUCTION, AND PURCHASING POWER." CONGRESS RECOGNIZED BACK
IN 1946 THAT MAXIMUM EMPLOYMENT SHOULD BE THE CENTRAL FOCUS
OF NATIONAL ECONOMIC POLICY. IT IS CERTAINLY NOT THE FOCUS OR
THE FIRST PRIORITY TODAY.

THE ADMINISTRATION'S ECONOMIC POLICY, AS EXPRESSED IN THE BUDGET, IGNORES THE MANDATE OF THE EMPLOYMENT ACT OF 1946,

IT PLACIDLY ACCEPTS UNEMPLOYMENT RATES OF 7 PERCENT OR MORE FOR THE NEXT FOUR YEARS BECAUSE OF AN OVERRIDING FEAR OF INFLATION,

I AM VERY CONCERNED ABOUT INFLATION. WE ALL NEED TO BE,

BUT LET US LOOK AT THE FACTS, WE HAVE SEEN THE RATE OF INFLATION DROP FROM 15 PERCENT IN THE MIDDLE OF LAST YEAR TO 6 OR 7 PERCENT AT PRESENT. IT WILL BE MUCH MORE DIFFICULT AND TAKE MUCH LONGER TO CUT UNEMPLOYMENT IN HALF.

WE ARE A NATION THAT GIVES A GREAT DEAL OF LIP SERVICE TO THE WORK ETHIC. AND YET, WE ALSO EXPERIENCE ONE OF THE HIGHEST UNEMPLOYMENT RATES IN THE INDUSTRIALIZED WORLD.

MOST NATIONS SUFFERED RECESSION IN 1974 ALONG WITH US. AND

UNEMPLOYMENT ROSE IN EVERY COUNTRY.

BUT HOW DO OTHERS COMPARE WITH THE U.S.? AT THE BEGINNING
OF 1975, GREAT BRITAIN HAD 3.6 PERCENT UNEMPLOYMENT; ITALY,
3.3 PERCENT; GERMANY, 3 PERCENT; AND JAPAN, 1.7 PERCENT.

Full Emp
WE MUST MAKE A COMMITMENT TO FULL EMPLOYMENT BY DEVELOPING

AMERICAN
A METHOD OF GUARANTEEING A JOB TO EVERY ^AABLE AND WILLING TO WORK.

~~AMERICAN~~. SUCH A PROGRAM WOULD FIRST PROVIDE FOR MORE PRIVATE
SECTOR JOBS, BUT IT WOULD ALSO MAKE PUBLIC SERVICE EMPLOYMENT
AVAILABLE AS A LAST RESORT. THE PUBLIC SERVICE JOBS ELEMENT OF
SUCH A COMMITMENT TO FULL EMPLOYMENT SHOULD BE LARGE ENOUGH TO
PROVIDE WORK OPPORTUNITIES WHICH WOULD LOWER THE UNEMPLOYMENT

RATE EVEN BELOW THE TRADITIONAL GOAL OF 4 PERCENT. HOWEVER, THE
OBJECTIVE OF NATIONAL ECONOMIC POLICY SHOULD BE TO REDUCE THE
SIZE OF THE NECESSARY PUBLIC JOBS PROGRAM TO ZERO. OBVIOUSLY,
WHAT THIS MEANS IS THAT ECONOMIC POLICY MUST BE SUFFICIENTLY
STIMULATIVE SO THAT THE PRIVATE SECTOR CAN EMPLOY THE AVAILABLE
WORK FORCE.

IN THE SHORT-RUN, DURING THE NEXT YEAR AND A HALF, WE CANNOT
EXPECT TO ACHIEVE THESE AMBITIOUS GOALS. BUT WE NEED NOT ACCEPT
UNEMPLOYMENT RATES OF 9 PERCENT OR MORE, EITHER. IN ADDITION
TO THE ESSENTIAL OVERALL STIMULUS PROVIDED THROUGH THE TAX CUT,
WE NEED DIRECT JOB CREATING PROGRAMS.

FIRST, WE NEED A PUBLIC EMPLOYMENT PROGRAM ADMINISTERED BY STATE AND LOCAL GOVERNMENTS THAT WOULD PROVIDE AT LEAST ONE MILLION JOBS RIGHT NOW. THE CURRENT PROGRAM WILL ONLY EMPLOY 300,000 WORKERS. IT IS TOTALLY INADEQUATE. WHEN UNEMPLOYMENT IS OVER 8 PERCENT, AS AT PRESENT, WE SHOULD HAVE A DIRECT FEDERAL PUBLIC EMPLOYMENT PROGRAM. THE JOINT ECONOMIC COMMITTEE HAS RECOMMENDED THAT FOR EVERY PERCENTAGE POINT ^{THAT} THE NATIONAL RATE EXCEEDS 8 PERCENT, 500,000 JOBS SHOULD BE CREATED AT THE FEDERAL LEVEL.

IN EXPLORING THE FORMAT FOR A PUBLIC JOBS PROGRAM, WE CONCLUDED THAT PUBLIC SERVICE EMPLOYMENT IN EXCESS OF ONE MILLION WOULD STRAIN THE ADMINISTRATIVE RESOURCES OF STATE AND LOCAL GOVERNMENTS.

FURTHERMORE, THERE ARE A NUMBER OF WORTHWHILE OBJECTIVES WHICH ARE NATIONAL IN SCOPE, WORK ON A NATIONAL TRANSPORTATION SYSTEM, IMPROVEMENT OF RAILROAD BEDS -- THESE ARE BEST ORGANIZED AT A NATIONAL LEVEL, REFORRESTATION, CONSERVATION AND BEAUTIFICATION OF OUR NATIONAL PARKS IS ANOTHER GOOD

EXAMPLE. *WITH 8% RATES WE ALSO NEED A DIRECT FEDERAL JOBS Program.*

SECOND, PUBLIC WORKS PROJECTS, ESPECIALLY THE MORE LABOR-INTENSIVE ONES, SHOULD BE ACCELERATED -- SPECIFICALLY, THOSE WORKS DELAYED BY PAST IMPOUNDMENTS, WITH THE HIGH LEVELS OF UNEMPLOYMENT PREVAILING IN THE CONSTRUCTION INDUSTRY, AND WITH THE AMOUNT OF EQUIPMENT SITTING ABOUT IDLY, INCREASED SPENDING ON WASTE TREATMENT AND WATER CLEAN-UP, FOR EXAMPLE, CAN ABSORB THIS VAST UNUSED CAPACITY WITHOUT BEING INFLATIONARY.

FINALLY, WE SHOULD BE WILLING TO EXPERIMENT WITH SOME FORM OF WAGE SUPPLEMENT, A TRUE EMPLOYMENT TAX CREDIT, WHICH WOULD STIMULATE PRIVATE JOB CREATION. WHILE THIS APPROACH IS NEW TO THE UNITED STATES, IT HAS BEEN TRIED WITH SOME SUCCESS IN OTHER COUNTRIES. IF WE DON'T TRY OUT NEW, INNOVATIVE WAYS TO ENCOURAGE PRIVATE JOB CREATION NOW, WHEN THE NEED IS GREATEST, THEN THE TIME WILL NEVER BE RIGHT.

IN THE LONG RUN, WE HAVE TO DEVELOP A MECHANISM FOR ECONOMIC PLANNING IN THIS COUNTRY. THIS IS CRUCIAL. PLANNING CAN PLAY A MAJOR ROLE IN HELPING US REORDER OUR PRIORITIES AND ANTICIPATE PROBLEMS.

WE MUST HAVE AN EFFECTIVE PROCESS FOR ORGANIZING GOVERNMENTAL EFFORTS AND FOR SYNCHRONIZING THEM WITH THE PRIVATE SECTOR TOWARDS THE OBJECTIVE OF FULL EMPLOYMENT.

I SAID EARLIER THAT NOT EVEN THE MOST PESSIMISTIC AMONG US PREDICTED THE WHOLESALE LAYOFFS THAT OCCURRED IN THE FOURTH QUARTER OF 1974. BUT WITH A COORDINATED PLANNING EFFORT, I BELIEVE WE WOULD HAVE DONE A MUCH BETTER JOB OF ANTICIPATING THE COMING RECESSION. WE COULD THEN HAVE TAKEN THE STEPS NEEDED TO PREVENT AN ECONOMIC SLOWDOWN FROM BECOMING AN ECONOMIC DISASTER.

IN THE CONGRESS, THERE IS NO SINGLE, LEGISLATIVE COMMITTEE WHICH FOCUSES PRIMARILY ON FULL EMPLOYMENT.

THIS IS ONE REASON THAT THE JOINT ECONOMIC COMMITTEE WAS
CREATED. IT IS ALSO A GOOD REASON FOR ESTABLISHING THIS
"TASK FORCE ON UNEMPLOYMENT,"

THIS SPRING WE WILL HAVE HEARINGS ON UNEMPLOYMENT AND THE
CONCEPT OF FULL EMPLOYMENT. AS CHAIRMAN OF THE JOINT ECONOMIC
COMMITTEE, I WOULD WELCOME ANY SUGGESTIONS THAT YOUR TASK FORCE
MAY DEVELOP. FURTHER, IF THERE IS ANY WAY IN WHICH THE JOINT
ECONOMIC COMMITTEE CAN ASSIST YOU IN DEVELOPING YOUR PROGRAM, I
HOPE THAT YOU WILL NOT HESITATE TO CALL ON US.

I AM CONVINCED THAT WE CAN ACHIEVE FULL EMPLOYMENT BY THE
END OF THIS DECADE DESPITE THIS ADMINISTRATION'S TIMERITY AND
ITS FORECASTS.

IT WILL TAKE BOLD, INNOVATIVE LEADERSHIP, AND IT WILL
REQUIRE SOME EXPERIMENTATION WITH NEW PROGRAMS, BUT THEN,
THE CRISIS WE FACE IS AN EXTRAORDINARY ONE. IF WE SUCCEED,
THROUGH OVERALL STIMULUS AND DIRECT JOB CREATION IN REDUCING
UNEMPLOYMENT IN THE SHORT-RUN, THEN THE DEVELOPMENT OF A
COMPREHENSIVE PLANNING AGENCY MAY ENABLE US TO AVOID THE HUMAN
MISERY OF UNEMPLOYMENT IN THE FUTURE. THE LEADERSHIP VOID ON
THE UNEMPLOYMENT PROBLEM MUST BE FILLED. YOUR TASK FORCE IS IN
A UNIQUE POSITION TO PROVIDE IT. I CHALLENGE YOU TO DO SO.

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